

State of South Dakota

EIGHTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2009

400Q0223

HOUSE BILL NO. 1013

Introduced by: The Committee on Retirement Laws at the request of the South Dakota Retirement System

1 FOR AN ACT ENTITLED, An Act to revise certain provisions pertaining to the South Dakota
2 Retirement System, the South Dakota deferred compensation plan, and the South Dakota
3 special pay retirement program.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 3-12-70 be amended to read as follows:

6 3-12-70. The date when the participation of the employees of a participating unit may
7 commence shall be ~~July first or January~~ at the beginning of the first month of a ~~given year but~~
8 ~~not more than twelve months following the date the board approves participation~~ calendar
9 quarter.

10 Section 2. That § 3-12-76.3 be amended to read as follows:

11 3-12-76.3. A member who elects to withdraw accumulated contributions as provided in § 3-
12 12-76 or 3-12-76.1, or a member's surviving spouse or nonspouse beneficiary who receives a
13 lump-sum payment pursuant to § 3-12-110, may receive the distribution directly. Eligible
14 rollover distributions may be transferred by the system in a direct rollover to no more than one
15 eligible retirement plan identified by ~~the a member,~~ a member's surviving spouse, or a member's



1 nonspouse beneficiary if a member the individual so elects. The board shall promulgate rules
2 pursuant to chapter 1-26 to comply with federal mandates regarding rollover distributions. The
3 system is not required to make an independent determination as to whether the plan identified
4 by ~~the~~ a member, surviving spouse, or nonspouse beneficiary qualifies as an eligible retirement
5 plan. By electing a direct rollover and identifying the eligible retirement plan to which an
6 eligible rollover distribution is to be made, ~~the~~ a member, surviving spouse, or nonspouse
7 beneficiary represents to the system that the identified plan qualifies as an eligible retirement
8 plan. If ~~the~~ a member, surviving spouse, or nonspouse beneficiary does not elect a direct
9 rollover, the distribution shall be issued in the name of, and directly to, ~~the member~~ that person.

10 Section 3. That § 3-12-80 be amended to read as follows:

11 3-12-80. If a person whose accumulated contributions have been refunded since July 1,
12 1974, reenters the system, the person may elect to redeposit the accumulated contributions, with
13 compound interest at the assumed rate of return between the date of withdrawal and the date of
14 redeposit. The redeposit shall be made within two years after reentry into the system and the
15 credited service forfeited when contributions were refunded shall then be reinstated; any
16 employer contributions forfeited at the time of refund shall be reinstated; and the member,
17 except as provided in § 3-12-131, shall be regarded as having never refunded.

18 Any withdrawals of additional contributions made pursuant to § 3-12-104 shall be
19 considered accumulated contributions for purposes of redeposit to reinstate the credited service
20 forfeited when contributions were refunded.

21 Section 4. That § 3-13-54 be amended to read as follows:

22 3-13-54. The board may adopt rules pursuant to chapter 1-26 concerning ~~governing~~
23 and amount of compensation which may be deferred, the persons who may participate in the
24 plan, the conditions of participation, the time and manner in which accumulated deferrals may

1 be made available to a participant or beneficiary, the establishment of administrative changes
2 and participation by political subdivisions. ~~In~~ Except pursuant to the provisions of an automatic
3 enrollment feature established under subdivision 3-13-56(4), in no event may the accumulated
4 deferred compensation become available to the participant prior to thirty days following the
5 participant's separation from employment with a participating employer unless such participant
6 is faced with an unforeseeable emergency as determined by the board. If a participant returns
7 to service with a participating employer within thirty days following separation from service,
8 the accumulated deferred compensation is not available to ~~him~~ the participant.

9 Section 5. That § 3-13A-20 be amended to read as follows:

10 3-13A-20. ~~A~~ The board shall establish by rule promulgated pursuant to chapter 1-26 the
11 parameters under which a participant, a participant's surviving spouse, or a participant's
12 beneficiary may transfer a portion or all of the participant's account by rollover to a plan which
13 is an eligible plan under ~~§ 401(a), 403(b), 408, or 457~~ of the code.